

Longmont

POWER & COMMUNICATIONS



**Report to the
Community
2013**



2013 AT A GLANCE ELECTRIC

Customers

Total: 37,360 (Increase of < 1%)
Residential: 34,697
Commercial: 2,655
Industrial: 8

Distribution system

599 miles (Increase of 2 miles)
450 miles underground
46 main distribution circuits
6 substations

Service area

Total: 49 sq. miles
Within City limits: 29.5 sq. miles
Outside City limits: 19.5 sq. miles
(Hygiene, Lyons and Apple Valley)

Financial data

Revenues: \$62 million (5% increase)
Expenses: \$60 million (3% increase)
Reserves: \$9 million (31% increase)
Debt: None

System Load

Energy:
814,655,000 kWh (<1% decrease)
Peak demand, winter:
129,400 kW (5% increase)
Peak demand, summer:
177,600 kW (2% decrease)

BROADBAND

Financial data

Revenues: \$368,000
Expenses: \$930,000
Reserves: \$280,000
Debt: None

Distribution System:

48 miles of fiber optics



As a municipal utility, nothing is more rewarding than the confidence and support expressed by our customer-owners. In 2013, that reward came with overwhelming voter approval of a November bond issue that enables Longmont Power & Communications (LPC) to build a city-wide high-speed broadband network.

The decision to move forward with municipal broadband service mirrors the decision of Longmont citizens a century ago to own and operate our own electric utility for the benefit of the community.

That decision comes with a thank you and a promise from LPC: We will manage the delivery of broadband service with the same dedication to the principles of public power that have served our community so well for over 100 years.

LPC is a non-profit municipal utility that is governed by your elected Mayor and City Council. Local control means local governance and complete transparency of our business operations.

Our mission is to provide you reliable service at a reasonable price with exceptional customer care. Our priority is community value and improved quality of life for Longmont citizens.

As with our electric service, the success of our broadband service won't just be measured by our utility's balance sheet. Municipally owned and operated broadband service will be measured by the positive impact it has on our community through lower costs, increased efficiency, attracting and retaining businesses, and providing jobs. It will be measured by the value created through a connected community of high-tech, educational, health care, public, and commercial services.

LPC is committed to providing you the same benefits with broadband service that you have come to expect with electric service. LPC is your hometown utility, where the control, people, service, and benefits all stay local.

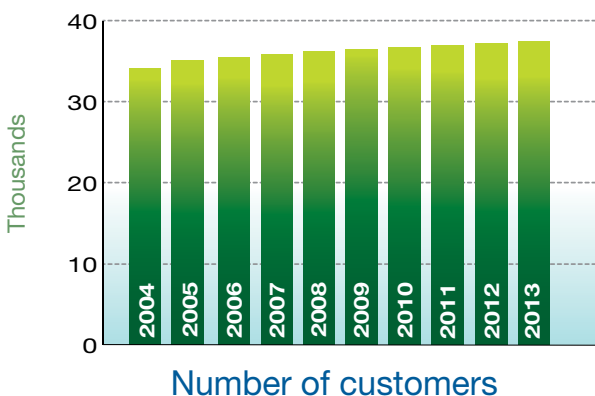
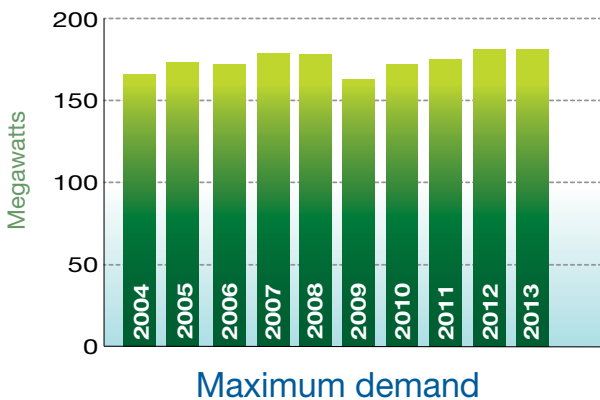
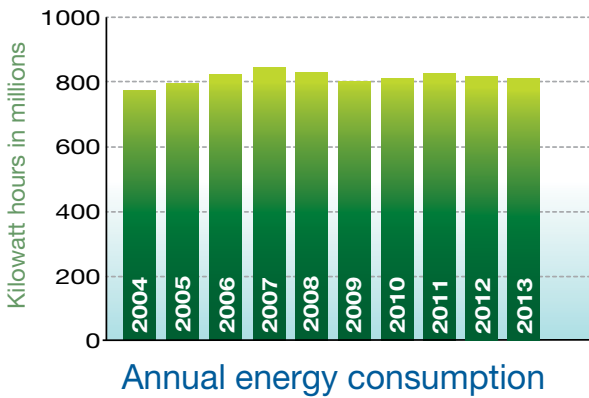


In 2013, LPC received the Community Broadband Fiber Network of the Year award from the National Association

of Telecommunications Officers and Advisors. This award honors exceptional efforts to bring the benefits of broadband technology to American communities.

ELECTRIC SYSTEM GROWTH

Longmont's annual energy consumption has increased by 5% in the last 10 years. The maximum demand (the highest amount of electricity required to meet customer needs during a one-hour period) increased by 7%, and the number of LPC customers increased by 10%.



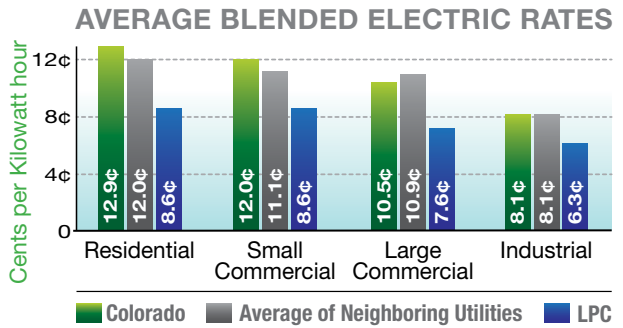
LPC's electric rates are among the lowest compared to the average for Colorado and neighboring utilities.



Rates

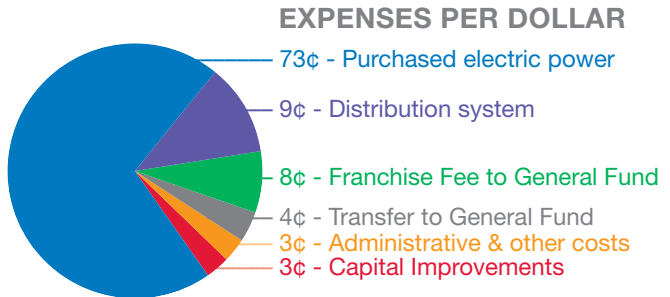
In 2013, LPC's residential, commercial, and industrial customers paid significantly less in electric utility rates than customers in neighboring communities and throughout Colorado. In addition, Longmont's average electric rate for all customer classes was 22% less than the average national electric rate.*

*Preliminary data, U.S. Energy Information Administration Report, Average Retail Price of Electricity.



Finances

Purchased power expense was 73¢ of every Electric Fund expense dollar. Although purchased power from Platte River Power Authority (Platte River) was LPC's largest expense, its rates are low compared to other wholesale power providers. The lower costs from Platte River allow LPC to maintain lower rates for its residential, commercial, and industrial customers. This is a tremendous economic benefit for the businesses and residents of Longmont.



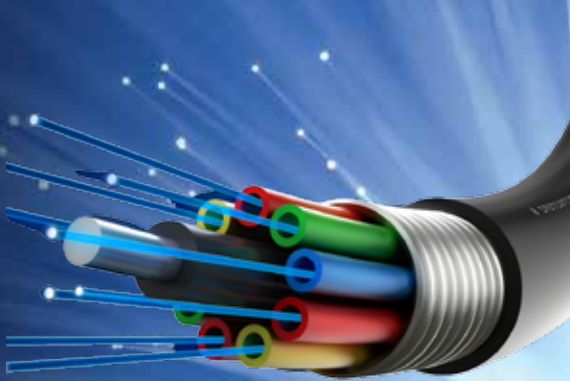
LPC Electric Capital Improvement Projects

The Capital Improvement Program (CIP) is an important tool for planning, building, and enhancing electric system infrastructure. It enables LPC to continue to respond to community requests for service and deliver the highly reliable electricity our customers have come to expect.

LPC spent \$1.6 million on CIP expenses in 2013, including:

- ▶ Numerous electric service installations, upgrades, and main feeder extensions for new developments and individual customers. Cost: \$1.4 million.
- ▶ System reliability improvements. Cost: \$124,000.
- ▶ Street lighting projects focused on improved safety. Cost: \$56,000 of which \$30,000 was grant funded.

Thank you for supporting LPC as we work to deliver high-speed, affordable, and reliable broadband service to the community.



City Supports Broadband Service Development

- ▶ **May 2013:** LPC presented a broadband business plan to City Council.
- ▶ **August 2013:** City Council approved a resolution placing a broadband bond issue on the November ballot.
- ▶ **November 2013:** Longmont voters overwhelmingly approved the bond issue by a 68% majority.
- ▶ **November 2013:** LPC issued Request for Proposals for the design of a city-wide fiber network and for an owner's representative.
- ▶ **Year-end 2013:** LPC was providing new broadband services to 22 commercial customers and 27 residential customers as part of initial pilot programs.

2014 Broadband Expansion Plans

- ▶ Design the network and develop phasing plans.
- ▶ Select network construction firm.
- ▶ Install infrastructure and provide services for the Saint Vrain Valley School District.
- ▶ City-wide network build-out goal: 3 year construction scheduled to begin 4th quarter of 2014.


LPC Broadband Capital Improvement Projects

The Capital Improvement Program is critical for developing our broadband system infrastructure so we can continue to deliver fast, reliable, high-bandwidth connections to our customers.

In 2013, LPC invested \$194,000 to expand the fiber network infrastructure and increase capacity for future use.



For the latest information about the network expansion project, visit www.ci.longmont.co.us/lpc/TC/index.htm



On March 7, 1912, district courts ruled that the City of Longmont was allowed to provide electric service to the community. The source of that electricity was a hydroelectric plant located in Lyons, Colorado. It is still in service today.

Power Resources

Platte River Power Authority, owned by the municipalities of Longmont, Fort Collins, Estes Park and Loveland, has provided reliable, low-cost and environmentally responsible electricity since 1973. Platte River's 2014 Strategic Plan, adopted in 2013, identifies goals to evaluate new technologies that will reduce the carbon footprint of its energy resources and to diversify its generation resource mix through the integration of additional renewable energy resources. Longmont is represented on the Platte River Board of Directors by the Mayor and the LPC Director.

Platte River Power Authority had generation capacity of 928,800 kW in 2013. Resources include:

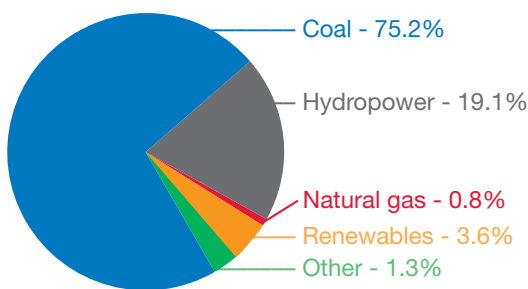
- ▶ Rawhide Energy Station: 278,000 kW coal and 388,000 kW natural gas
- ▶ Yampa Project: 155,000 kW coal
- ▶ Western Area Power Administration: 90,000 kW hydropower
- ▶ Silver Sage Windpower Project: 12,000 kW wind
- ▶ Medicine Bow Windpower Project: 5,800 kW wind

Energy Mix

The mix of energy that LPC provides for its customers comes from a variety of sources including coal, wind, hydropower, and natural gas. In 2013, LPC received 19.1% of its electricity from hydropower and, based on City Council policy, a minimum of 3% of electricity from other renewable sources.

In addition to these sources, 560 customers purchased almost 5 million kWh of renewable energy on a voluntary basis through the Green-e Energy certified* voluntary renewable energy program. Electricity purchased in the voluntary program is 100% renewable, using wind as well as renewable energy certificates from wind.


2013 ENERGY MIX



*Green-e certified energy meets specific environmental and consumer protection standards established by the Center for Resource Solutions.

Learn more about the Renewable Power Purchase Program and sign up your home or business for the program by visiting www.ci.longmont.co.us/lpc





In 2013, Longmont customers saved enough electricity to power about 371 average Longmont homes for a year.

Energy Efficiency Programs

Overall Program Results

In 2013, Longmont residents and businesses saved more than 3.2 million kWh as a result of energy efficiency services. Specific results for energy efficiency programs include:

- ▶ 4,337 light emitting diode bulbs (LEDs), 1,190 CFL/LED controls and 70 specialty compact fluorescent light bulbs (CFLs) were sold at a discount through local retailers. *Estimated energy savings: 108,000 kWh per year and 10 kW of peak demand reduction.*
- ▶ 684 customers received clothes washer and dishwasher rebates. *Estimated energy savings: 63,000 kWh.*
- ▶ 143 Longmont businesses participating in demand side management programs. *Estimated reduced electric energy use: 2.7 million kWh. Estimated reduced electric demand: 360 kW.*

EnergySmart Program Results

LPC partnered with Boulder County to provide the EnergySmart Program. EnergySmart helps homes and businesses in all Boulder County communities become more comfortable and energy efficient.

- ▶ 1,195 residential customers enrolled in the service and received on-site energy advisor assessments.
- ▶ 5,725 CFLs and 38 LEDs were installed at no cost to homes enrolled in the service.
- ▶ 357,500 kWh of electricity was saved by residential customers.
- ▶ 137 Longmont businesses received energy services for their buildings.
- ▶ 46 Longmont businesses performed energy efficiency retrofits with deemed natural gas savings of 1,060 therms and electric energy savings of 564,700 kWh.

Retrofit Projects

Energy retrofit projects completed in 2010 in municipal buildings reduced **2013 utility costs** by more than \$174,000.

- ▶ Natural gas savings - 94,900 therms
- ▶ Electric demand savings - 2,300 kW
- ▶ Electric energy savings - 1.9 million kWh

Efficiency Grants and Rebates

In 2013, LPC and Platte River Power Authority spent a total of \$735,800 on efficiency grants and rebates.

